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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended May 31, 1992

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from_____to_____

Commission file number 0-16-986

ACCLAIM ENTERTAINMENT, INC.

(Exact name of the registrant as specified in its charter)

Delaware	38-2698904
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

71 Audrey Avenue, Oyster Bay, New York 11771
(Address of principal executive offices)

(516) 624-8888
(Registrant's telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes_X_No___

As at July 10, 1992, approximately 23,265,000 shares of Common Stock of the registrant were outstanding.

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PART I
FINANCIAL INFORMATION
ITEM 1. Financial Statements.

ACCLAIM ENTERTAINMENT, INC.
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	May 31, 1992	August 31, 1991
ASSETS		
CURRENT ASSETS		
Cash	$7,933,675	$5,627,119
Accounts receivable - net	41,020,546	30,738,565
Inventories	9,653,459	6,087,921
Prepaid expenses	9,796,887	7,708,915
Advance payments to suppliers	8,523,147	4,032,528
Other current assets	2,835,208	2,262,735
TOTAL CURRENT ASSETS	79,762,922	56,457,783
OTHER ASSETS		
Fixed assets - net	4,661,390	4,355,798
Investment in Joint Venture	5,300,000	5,368,116
Excess of cost over net assets acquired - net	6,342,263	7,311,745
Other assets	2,386,074	2,114,174
TOTAL ASSETS	$98,452,649	$75,607,616
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Trade accounts payable	$12,808,873	$16,065,748
Notes payable to banks	8,006,336	7,631,818
Accrued expenses	10,782,250	11,618,090
Income taxes payable	4,667,729	134,602
Current portion of long-term debt	86,640	4,086,640
Obligation under capital leases - current	110,973	266,992
TOTAL CURRENT LIABILITIES	36,462,801	39,803,890
LONG-TERM LIABILITIES		
Long-term debt	1,450,420	1,515,400
Obligation under capital leases - noncurrent	625,229	370,688
Other long-term liabilities	881,159	1,144,293
TOTAL LIABILITIES	39,419,609	42,834,271
MINORITY INTEREST	136,567	106,716
STOCKHOLDERS' EQUITY		
Preferred stock, $0.01 par value; 1,000,000 shares authorized; none issued	—	—
Common stock, $0.02 par value; 50,000,000 shares authorized; 23,264,828 and 18,647,618 shares issued and outstanding, respectively	465,297	372,952
Additional paid in capital	30,407,586	13,353,406
Retained earnings	28,490,901	19,732,713
Common stock due from MCA	(806,817)	(806,817)
Foreign currency translation adjustment	339,506	14,375
TOTAL STOCKHOLDERS' EQUITY	58,896,473	32,666,629
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$98,452,649	$75,607,616

See note to consolidated financial statements.

ACCLAIM ENTERTAINMENT, INC.
AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED OPERATIONS

	Three Months Ended		Nine Months Ended	
	May 31, 1992	May 31, 1991	May 31, 1992	May 31, 1991
NET REVENUES	$45,983,608	$16,350,491	$137,233,403	$87,512,163
COST OF REVENUES	26,360,425	13,921,757	71,718,388	56,121,071
GROSS PROFIT	19,623,183	2,428,734	65,515,015	31,391,092
OPERATING EXPENSES				
Selling, advertising, general and administrative expenses	13,376,593	10,809,811	45,946,647	35,561,492
Operating interest	348,544	748,840	1,400,228	2,904,222
Depreciation and amortization	856,926	511,097	2,243,830	1,746,456
TOTAL OPERATING EXPENSES	14,582,063	12,069,748	49,590,705	40,212,170
EARNINGS (LOSS) FROM OPERATIONS	5,041,120	(9,641,014)	15,924,310	(8,821,078)
OTHER INCOME (EXPENSE)				
Interest income	89,540	27,304	193,178	69,470
Other income	(219,178)	(150,809)	191,777	493,294
Interest expense	(584,306)	(200,159)	(1,092,442)	(698,099)
EARNINGS (LOSS) BEFORE INCOME TAXES	4,327,176	(9,964,678)	15,216,823	(8,956,413)
PROVISION (BENEFIT) FOR INCOME TAXES	1,800,000	(3,096,000)	6,425,000	(2,600,000)
EARNINGS (LOSS) BEFORE MINORITY INTEREST	2,527,176	(6,868,678)	8,791,823	(6,356,413)
MINORITY INTEREST	0	(46,531)	33,635	(12,459)
NET EARNINGS (LOSS)	$2,527,176	$(6,822,147)	8,758,188	$(6,343,954)
NET EARNINGS (LOSS) PER COMMON AND COMMON EQUIVALENT SHARE	$0.10	$(0.36)	$0.37	$(0.33)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	25,917,000	19,085,000	23,876,000	19,085,000

See note to consolidated financial statements.

ACCLAIM ENTERTAINMENT, INC.
AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED STOCKHOLDERS' EQUITY

	Preferred Stock (1) Issued		Common Stock (2) Issued		Additional Paid-In Capital	Retained Earnings	Common Stock Due From MCA	Foreign Currency Translation Adjustments	Total
	Shares	Amount	Shares	Amount					
Balance August 31, 1989	—	—	16,700,987	$334,020	$2,397,458	$11,339,884	—	$12,561	$14,083,903
Net Earnings	—	—	—	—	—	14,232,192	—	—	14,232,192
Exercise of Stock Warrants	—	—	709,348	14,187	3,424,435	—	—	—	3,438,622
Exercise of Stock Options	—	—	33,033	660	49,903	—	—	—	50,563
Issuances	—	—	1,200,000	24,000	7,476,000	—	—	—	7,500,000
Foreign Currency Translation Loss	—	—	—	—	—	—	—	(6,057)	(6,057)
Balance August 31, 1990	—	—	18,643,368	372,867	13,347,796	25,572,056	—	6,504	39,299,223
Net Loss	—	—	—	—	—	(5,839,343)	—	—	(5,839,343)
Exercise of Stock Options	—	—	4,250	85	5,610	—	—	—	5,695
Common stock due from MCA	—	—	—	—	—	—	$(806,817)	—	(806,817)
Foreign Currency Translation Loss	—	—	—	—	—	—	—	7,871	7,871
Balance August 31, 1991	—	—	18,647,618	372,952	13,353,406	19,732,713	(806,817)	14,375	32,666,629
Net Earnings	—	—	—	—	—	8,758,188	—	—	8,758,188
Exercise of Stock Options	—	—	17,210	345	39,583	—	—	—	39,928
Issuances	—	—	4,600,000	92,000	17,014,597	—	—	—	17,106,597
Foreign Currency Translation Loss	—	—	—	—	—	—	—	325,131	325,131
Balance May 31, 1992	—	—	23,264,828	$465,297	$30,407,586	$28,490,901	$(806,817)	$339,506	$58,896,473

(1) The Company is authorized to issue 1,000,000 shares of preferred stock at a par value of $0.01 per share, none of which shares is presently issued and outstanding.

See notes to consolidated financial statements.

ACCLAIM ENTERTAINMENT, INC
AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED CASH FLOWS

	Nine Months Ended	
	May 31, 1992	May 31, 1991
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Cash received from customers	$129,674,429	$75,590,632
Cash paid to suppliers and employees	(135,721,989)	(70,874,609)
Interest received	193,178	69,470
Interest paid	(2,492,670)	(3,602,321)
Income taxes paid	(1,943,971)	(1,628,097)
NET CASH (USED IN) OPERATING ACTIVITIES	(10,291,023)	(444,925)
CASH FLOWS (USED IN) PROVIDED BY INVESTING ACTIVITIES		
Acquisition of Mirrorsoft Assets	(140,205)	-----
Investment in Joint Venture	68,117	(1,541,137)
Acquisition of fixed assets, excluding capital leases	(507,346)	(161,220)
Acquisition of other assets	(436,900)	(1,323,537)
Proceeds from sale of Entertech Division	-----	1,700,000
NET CASH (USED IN) INVESTING ACTIVITIES	(1,016,334)	(1,325,894)
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Proceeds from issuance of common stock	17,118,365	-----
Proceeds from short-term bank loans	374,518	-----
Payment of long-term debt	(4,064,980)	(64,980)
Exercise of stock options	28,160	670
Payment of obligation under capital leases	(181,678)	(84,091)
Investment by minority	29,851	(70,692)
Redemption of redeemable common stock	-----	(1,500,000)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	13,304,236	(1,719,093)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	309,677	(1,513)
NET INCREASE (DECREASE) IN CASH	2,306,556	(3,491,425)
CASH AT BEGINNING OF PERIOD	5,627,119	5,196,678
CASH AT END OF PERIOD	$7,933,675	$1,705,253

ACCLAIM ENTERTAINMENT, INC.
AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED CASH FLOWS
(Continued)

	Nine Months Ended May 31, 1992	Nine Months Ended May 31, 1991
RECONCILIATION OF NET EARNINGS (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net Earnings (Loss)	$8,758,188	$(6,341,054)
Adjustments to reconcile net earnings (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,243,830	1,746,456
Increase in allowance for returns and discounts	2,325,000	3,400,000
Increase in valuation allowance for marketable securities	-------	60,000
Change in assets and liabilities:		
(Increase) in accounts receivable	(12,366,480)	(16,608,354)
(Increase) Decrease in inventories	(3,440,820)	16,558,663
(Increase) Decrease in prepaid expenses	(1,218,473)	713,070
Decrease in other current assets	142,524	317,336
(Increase) in advance payments to suppliers	(4,490,619)	(512,947)
(Decrease) in trade accounts payable	(3,414,047)	(6,274,589)
(Decrease) Increase in accrued expenses	(3,311,155)	3,946,421
Increase in income taxes payable	4,481,029	2,552,973
Total adjustments	(19,049,211)	5,899,029
NET CASH (USED IN) OPERATING ACTIVITIES	$(10,291,023)	$(444,925)

Supplemental schedule of noncash investing and financing activities:

In fiscal 1991, the Company increased the excess of cost over net assets acquired by approximately $3,600,000.

See note to consolidated financial statements.

ACCLAIM ENTERTAINMENT, INC.
AND SUBSIDIARIES
NOTE TO CONSOLIDATED FINANCIAL STATEMENTS

Interim Period Reporting

The data contained in these financial statements are unaudited and are subject to year-end adjustments; however, in the opinion of management, all known adjustments (which consist only of normal recurring accruals) have been made to present fairly the consolidated operating results for the unaudited periods.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Overview

Through fiscal 1989, substantially all of the Company's revenues were derived from sales of software ("Software") for the 8-bit Nintendo Entertainment System ("NES") platform. The Company commenced the development and marketing of Game Boy Software in 1990 following the introduction of that portable hardware platform, and commenced development and marketing of 16-bit Nintendo Super Entertainment System ("Super NES") Software in conjunction with the 1991 introduction in the United States of the Super NES platform. The Company commenced the development and marketing of Software for Sega's 16-bit Genesis ("Genesis") and portable Game Gear ("Game Gear") platforms and the Super Famicom (the Japanese equivalent of the Super NES) platform during the quarter ended May 31, 1992. The Company's business is characterized by both hardware platform and Software product cycles.

The release of individual "hit" Software titles can significantly affect revenues and cause quarterly revenue and earnings fluctuations.

The Company's future sales growth, if any, will depend on sales of interactive entertainment hardware and Software outside of North America, penetration of 16-bit and portable hardware platforms in North America, the development and market acceptance of the Company's Software for these new platforms and the development of a number of "hit" Software titles.

Results of Operations

The following table sets forth certain statements of consolidated operations data as a percentage of net revenues for the periods indicated:

	Three Months Ended		Nine Months Ended	
	May 31,1992	May 31,1991	May 31,1992	May 31,1991
Domestic revenues	47.8%	81.2%	60.4%	83.5%
Foreign revenues	52.2	18.8	39.6	16.5
Net revenues	100.0	100.0	100.0	100.0
Cost of revenues	57.3	85.1	52.3	64.1
Gross Profit	42.7	14.9	47.7	35.9
Selling, advertising, general and administrative expenses	29.1	66.1	33.5	40.6
Interest factor	0.7	4.6	1.0	3.3
Depreciation and amortization	1.9	3.1	1.6	2.0
Total operating expenses	31.7	73.8	36.1	45.9
Earnings (Loss) from operations	11.0	(58.9)	11.6	(10.0)
Other income (expense), net	(1.6)	(2.0)	(0.5)	(0.2)
Earnings (Loss) before income taxes	9.4	(60.9)	11.1	(10.2)
Net earnings (loss)	5.5	(41.7)	6.4	(7.3)

Net Revenues

The increase in the Company's net revenues from $16,350,491 for the three months ended May 31, 1991 to $45,983,608 for the three months ended May 31, 1992 was predominantly due to the continued increase in Software sales in the European market, the reduced levels of discounts and allowances, the Company's entry into the Sega market and the Company's entry into the Japanese Super Famicom market. The increase in the Company's net revenues from $87,512,163 for the nine months ended May 31, 1991 to $137,233,403 for the nine months ended May 31, 1992 was primarily caused by increases in Software sales as a result of the Company's continued growth in the European market and, to a lesser extent, the Company's entry into the Sega market and the Company's entry into the Japanese Super Famicom market. The Company anticipates that its foreign sales will continue to represent a higher percentage of net revenues in fiscal 1992 compared to fiscal 1991.

Each of Nintendo and Sega is the sole licensor of the proprietary information and the technology needed to develop Software for their respective hardware platforms, as well as the sole manufacturer of their respective platforms. For the nine months ended May 31, 1991 and May 31, 1992, the Company derived 94% and 92% of its gross revenues, respectively, from sales of products licensed by Nintendo. The majority of the Company's gross revenues were derived from the following product categories:

	Three Months Ended		Nine Months Ended	
	May 31, 1992	May 31, 1991	May 31, 1992	May 31, 1991
8 Bit Software	38.4%	75.8%	52.9%	81.6%
Portable Software	22.3	17.0	25.5	8.2
16 Bit Software	38.1	0.0	19.0	0.0

Gross Profit

Gross profit fluctuates on a quarterly basis as a result of three factors: (i) the level of domestic manufacturing; (ii) the percentage of foreign sales; and (iii) the percentage of foreign sales to third party distributors. The Company's margins on foreign sales to third party distributors are approximately one-third lower than those on sales that the Company merchandises directly to retailers.

Gross profit increased from $2,428,734 (14.9% of net revenues) for the three months ended May 31, 1991 to $19,623,183 (42.7% of net revenues) for the three months ended May 31, 1992 and from $31,391,092 (35.9% of net revenues) for the nine months ended May 31, 1991 to $65,515,015 (47.7% of net revenues) for the nine months ended May 31, 1992. The dollar increases are predominantly due to increased sales volume. The percentage increases are predominantly due to lower levels of discounts and allowances offered to customers during the current fiscal year and, to a lesser extent, to the Company's domestic manufacture of Software.

The Company began manufacturing in the fourth quarter of fiscal 1991 a portion of its North American NES Software under a license granted by Nintendo. The Company's arrangement with Sega provides for the manufacture by the Company of Genesis Software and the Company anticipates commencing the shipment of such Software in the fourth quarter of fiscal 1992. See "Recent Developments." The Company

anticipates that it will continue to have improved control over the flow of its inventory as a result of the decreased lead time resulting from its ability to manufacture Software. Such improved control may result in less over-ordering, thus potentially reducing the need in the future for concessions such as those offered to customers of the Company during fiscal 1991. The cost of Software manufactured by the Company, together with the royalties payable to Nintendo or Sega for such manufacturing, is not materially different from the cost of the Company's Software products when manufactured by Nintendo or Sega. However, the royalty payable to Nintendo or Sega for Software manufactured by the Company is included as an operating expense, rather than as part of cost of revenues. As a result, the Company expects its gross margin to continue to be higher in fiscal 1992 compared to fiscal 1991, but such increase will be offset by an increase in the Company's operating expenses as a percentage of revenues.

The Company purchases substantially all of its products at prices payable in United States dollars. Appreciation of the yen could result in increased prices charged by Nintendo to the Company which the Company may not be able to pass on to its customers and which would adversely affect its results of operations.

Operating Expenses

Operating expenses increased from $12,069,748 (73.8% of net revenues) for the three months ended May 31, 1991 to $14,582,063 (31.7% of net revenues) for the three months ended May 31, 1992 and increased from $40,212,170 (45.9% of net revenues) for the nine months ended May 31, 1991 to $49,590,705 (36.1% of net revenues) for the nine months ended May 31, 1992. The dollar increases are primarily attributable to increased sales volume and the percentage decreases are primarily attributable to increased net revenues during the current fiscal year. The percentage decrease in operating expenses for the three months ended May 31, 1992 was also attributable to decreased royalty expenses as the Company's manufacture of NES Software products was minimal during the quarter. Selling and advertising expenses increased from $27,106,285 (31.0% of net revenues) for the nine months ended May 31, 1991 to $32,067,341 (23.4% of net revenues) for the nine months ended May 31, 1992 predominantly due to increased royalty expenses attributable to the domestic manufacture of NES Software offset by decreased consumer advertising expenses. Sales commissions approximated $748,800 (5% of net revenues) for the three months ended May 31, 1991 and $1,367,000 (3% of net revenues) for the three months ended May 31, 1992 and $2,780,000 (3% of net revenues) for the nine months ended May 31, 1991 and $3,807,000 (3% of net revenues) for the nine months ended May 31, 1992. Operating interest expense decreased from $746,840 (4.6 % of net revenues) for the three months ended May 31, 1991 to $348,544 (0.7% of net revenues) for the three months ended May 31, 1992 and from $2,904,222 (3.3% of net revenues) for the nine months ended May 31, 1991 to $1,400,226 (1.0% of net revenues) for the nine months ended May 31, 1992, which decreases were attributable to decreased advances drawn against accounts receivable as well as a decrease in the prime rate. See "Liquidity and Capital Resources."

Seasonality

The Company's business is typically seasonal, with higher revenues and operating income during its first, second and fourth fiscal quarters. However, sales for the quarter ended May 31, 1992 were not as seasonally low as in prior years as a result of the Company's continued increased sales in the European market and its entry into

the Sega market and the Japanese Super Famicom market. The timing of the delivery of Software titles and the releases of new products cause significant fluctuations in the Company's quarterly revenues and earnings. From time to time, the Company also derives revenues from royalties received on sub-licensing intellectual properties. Royalty income as a percentage of net revenues was not material during the quarters and nine months ended May 31, 1991 and May 31, 1992.

Liquidity and Capital Resources

The Company's sources of liquidity during the nine months ended May 31, 1992 were the proceeds of an underwritten public offering covering 4,600,000 shares of common stock completed in December 1991 and cash flow from operations. Of the net proceeds of approximately $17,100,000 from the offering, $4,000,000 was used to repay short-term debt. The balance of the proceeds is being used to expand the Company's operations in Europe and to increase working capital in support of the Company's domestic operations including its entry into the Sega market and expansion of the Company's Product Development and Engineering departments. During the nine months ended May 31, 1991, the Company's primary source of liquidity was borrowings from the factor.

When the Company submits a purchase order, it generally opens a letter of credit in favor of Nintendo or Sega. At May 31, 1991 and May 31, 1992, amounts outstanding under letters of credit were approximately $12,100,000 and $16,500,000, respectively.

The Company finances its domestic operations by assigning a majority of its North American accounts receivable to a factor on a nonrecourse, pre-approved basis. Advances are taken against amounts factored to finance working capital requirements. The factoring charge is 0.7% of the receivables assigned and interest on advances is the bank's prime rate plus 0.75% per annum. The Company is permitted to receive advances of up to 65%, in the factor's sole discretion, of uncollected amounts factored. The Company's factoring arrangements expire in August 1994.

In light of the fact that the Company factors the majority of its North American accounts receivable and draws down advances from its factor from time to time in such amounts as it requires, the Company's liquidity is a function of the availability from its factor compared to the amounts that the Company requires. Factoring charges and interest on advances amounted to approximately $4,104,321 for the nine months ended May 31, 1991 and approximately $2,381,443 for the nine months ended May 31, 1992. The decrease in such charges and interest is attributable to the Company drawing down lower levels of advances against receivables as well as a decrease in the prime rate.

The Company currently has a $13,000,000 trade finance facility with a bank, pursuant to which $5,000,000 is available for short-term advances to the Company. The Company's Japanese, German and U.K. subsidiaries currently have independent facilities totalling approximately $13,000,000, $7,000,000 and $5,500,000, respectively, with various banks.

Management believes that cash flow from operations will be adequate to provide for the Company's

liquidity and capital needs with respect to the development of Software compatible with current technologies and its sales expansion in Europe for at least the next twelve months. Beyond that time period, the Company's liquidity and capital needs will be dependent, in large part, on the development of new technologies in the interactive entertainment software market, which the Company cannot predict with any certainty.

Legal Proceedings

Nintendo (but not the Company) is a party to various lawsuits, including those brought by Atari Games Corporation and Atari Corporation, and the Company has received letters from Atari Corporation alleging that the Company's products infringe two Atari patents.

Implementation of Statement of Financial Accounting Standards No. 109

Management has not implemented Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("SFAS 109"), which is required for periods beginning after December 15, 1992. Management anticipates that the effect of implementing SFAS 109 on the Company's results of operations will not be material.

Recent Developments

The Company's arrangement with Sega provides for the manufacture by the Company of Software for the Genesis platform. The Company anticipates commencing shipment of certain Genesis titles for distribution in North America and Europe during the fourth quarter of fiscal 1992.

Certain electronics manufacturers have announced plans to introduce interactive entertainment hardware that utilizes compact disk format ("CD") software. In this connection, the Company is in the process of developing tools utilizing three dimensional animation technology for use in programming such CD software. The Company is designing the tools to be platform independent -- i.e the tools will be utilized in the development of software for a variety of hardware platforms. There can be no assurance, however, that such hardware systems and/or the Company's software for such platforms will achieve market acceptance.

PART II
OTHER INFORMATION

ITEM 4. Submission of Matters to a Vote of Security Holders.

On May 14, 1992, at the Annual Meeting of the Company's stockholders, the stockholders (i) elected the following directors to serve for a term of one year: Gregory E. Fischbach (by a vote of 20,441,650 for and 511,932 withheld), James Scoroposki (by a vote of 20,439,974 for and 513,608 withheld), Robert Holmes (by a vote of 20,441,448 for and 512,134 withheld), Bernard J. Fischbach (by a vote of 20,441,987 for and 511,595 withheld), Michael Tannen (by a vote of 20,441,565 for and 512,017 withheld) and Robert Groman (by a vote of 20,442,902 for and 511,510 withheld); (ii) ratified the appointment of Grant Thornton as auditors to serve until the next annual meeting by a vote of 20,559,692 for, 129,181 against and 264,709 withheld; and (iii) approved, by a vote of 18,784,180 for, 2,059,091 against and 110,311 withheld, the increase from 3,000,000 to 4,000,000 in the number of shares with respect to which options may be granted under the Company's 1988 Stock Option Plan and a non-discretionary annual grant of options to purchase 12,500 shares to each non-employee director of the Company.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ACCLAIM ENTERTAINMENT, INC.

By: _____ July 13, 1992
Robert Holmes
President and
Chief Operating Officer

By: _____ July 13, 1992
Anthony Williams,
V.P., Finance and
Chief Financial Officer
(Chief Accounting Officer)